

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 382

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXES; AMENDING SECTION 63-115, IDAHO CODE, TO REQUIRE CERTAIN
TAX RETURN PREPARERS TO FILE INDIVIDUAL AND BUSINESS INCOME TAX RETURNS
ELECTRONICALLY, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORREC-
TIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-115, Idaho Code, be, and the same is hereby
amended to read as follows:

63-115. FILING OF ELECTRONIC RETURNS AND DOCUMENTS -- ELECTRONIC
FUNDS TRANSFERS. (1) Any return or other document filed with or submitted to
the state tax commission may be transmitted electronically to the commission
when permitted by rules or procedures established by the commission. Pay-
ments of any amounts to the commission by electronic funds transfer shall
be in accordance with sections 67-2026 and 67-2026A, Idaho Code, or section
63-117, Idaho Code.

(2) For income tax returns due on or after January 1, 2015, a paid tax
return preparer who prepares over ten (10) individual income tax returns
and business income returns, including returns from pass-through entities,
shall submit each return electronically to the state tax commission, unless
a person for whom the preparer files a return requests, in a form prescribed
by the commission, that the return be filed by other means.

(3) A tax return preparer shall pay to the state tax commission a
penalty not to exceed five dollars (\$5.00) for each tax return filed in vi-
olation of this section.

(4) For partnership returns and S corporation returns due on or after
January 1, 2015, a partnership or S corporation with more than one hundred
(100) partners or shareholders shall submit the return electronically to the
state tax commission, unless the partnership requests a waiver, in a form
prescribed by the commission, that the return be filed by other means.

(5) For corporate returns due on or after January 1, 2015, a corporation
with more than ten million dollars (\$10,000,000) in assets shall submit the
return electronically to the state tax commission, unless the partnership
requests a waiver, in a form prescribed by the commission, that the return be
filed by other means.

(6) As used in this section, "transmitted electronically" means the use
of a ~~telecommunication or computer~~ third party value added network to trans-
fer information in an ~~optical, electronic, magnetic or other machine sensi-~~
~~ble form. The term includes the use of facsimile machines and third party~~
~~value added networks.~~

(37) Any return or other document transmitted electronically to the
commission and accepted by the commission shall be deemed received on the
earlier of:

1 (a) The date it arrives at the commission or, in the case of returns
 2 filed through the ~~I~~nternal ~~R~~evue ~~S~~ervice, the date the return is
 3 received by the ~~I~~nternal ~~R~~evue ~~S~~ervice; or

4 (b) The date that a third party, in accordance with procedures approved
 5 by the state tax commission, transmits the return to the state tax com-
 6 mission or makes it otherwise available to the state tax commission.

7 (48) Any payment made electronically shall be deemed paid on the date
 8 the funds are available to the state treasurer.

9 (59) To constitute a properly filed valid tax return or report, a docu-
 10 ment transmitted electronically ~~or submitted in a physical machine sensible~~
 11 ~~form such as tape or disk~~ must:

12 (a) Be filed in a format prescribed by the state tax commission and be
 13 sufficiently free of errors to identify the filer and the tax type and to
 14 calculate the amounts due;

15 (b) Contain the taxpayer's name, address, ~~(if required by the~~ state tax
 16 commission), and identifying number;

17 (c) Be signed by the taxpayer or other individual effecting the signa-
 18 ture or verification; and

19 (d) Include sufficient information to permit the mathematical verifi-
 20 cation of any tax liability.

21 (610) The state tax commission may, by rule, prescribe exclusive meth-
 22 ods for electronically signing or verifying a return or other document
 23 transmitted electronically to the state tax commission that shall have the
 24 same validity and consequences as manual signing by the taxpayer or other
 25 individual effecting the signature or verification.